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TO : Executive Secretary, Economic Intelligence Committee 5 August 1955

THRU : Chief, Materials Division, ORR

FROM : Chairman, Subcommittee on Chemicals

SUBJECT: Annual Review of Activities and Accomplishments of the Subcommittee on Chemicals of the EIC for the Fiscal Year 1 July 1954 to 30 June 1955

1. The Subcommittee on Chemicals had only one formal meeting during this period in the Spring of 1954. This meeting was attended by representatives of Army and Air Force. There was no representative from State Department, as their representative was in England at the time, and, as you know, the Technical Unit of CNI has terminated formal membership on the Subcommittee. At this meeting, the activities of the Member Agencies on Chemical Intelligence in the Sino-Soviet were reviewed. The Subcommittee also agreed on a limited list of products on which there would be agreed basic statistics.

2. The attending members talked over the divergence of basic interest, and the varying approaches, to chemical intelligence in the area. It narrowed down to the fact that the Chemicals Branch, RR, carried its activities to a much greater depth than do the Service Agencies, and that AFOIN was the only one of the Service Agencies attempting to build up continuing active information on chemicals and chemical production. It was brought out by the G-2 representative that the Military Agencies would continue to make the reports on strictly military chemical products, such as explosives and all items of interest to the Chemical Corps. They would continue to depend upon CIA for the availability of raw materials to produce these military end items. The G-2 representative stated that he would use his best efforts to obtain from the Military Services an estimate of the amount of explosives and propellants by types from which the basic chemicals necessary for the production of the finished military items may be calculated.

3. The G-2 representative stated that he was being transferred from chemical responsibility into another field and that a replacement from A-2 would take over the work in G-2. This new representative was finally accredited to the Subcommittee in late June 1955 and has had, as yet, no opportunity to work on chemical products.

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4. The Chemicals Branch, RR, and Chemicals Section, AFOIN, have worked closely together throughout the year in a most harmonious manner. The Chemicals Branch, RR, as the group having the broadest interest in chemical intelligence in the area, has submitted its estimates on certain chemicals in the various countries and has requested comments from the Services. The A-2 group have set up a project to check the RR figures. However, we know that the range between the estimates of these two interested groups is, on the whole, close.

5. The Chairman of the Subcommittee has felt that the close cooperation between the RR group and the A-2 group has not warranted additional formal meetings of the Subcommittee.

#### ACCOMPLISHMENTS IN THE PRIORITY RESEARCH

In January 1955, the representative of G-2 called a meeting in his office to attempt to get a solution to the problems on the production of explosives and propellants. The representatives of Army Ordnance, Navy Ordnance, G-2, and various Divisions of CIA interested in this problem, attended. As of this date, we know little of the "types" of explosives used by USSR. Arrangements have been made to exploit the Captured Enemy Material from North Korea, at present stored at Delaware Ordnance Depot, and the Chemical Subcommittee members are hopeful that the analysis of this material will be completed in the near future and that from this data, the Services and CIA will be able to make an intelligent estimate of the quantity and types of explosives that would be called for by the USSR. An intelligent estimate can then be made of the requirements for raw materials and producing facilities.

The representative of G-2 on the EIC Committee has made it plain that the Services are not interested in the availability of basic chemicals to produce finished military products and that he feels this is the responsibility of CIA. Therefore, the Chemicals Branch, RR, is continuing to try to fill the "gaps". At the present time, it is working on the basic chemicals essential for liquid and solid propellants for Guided Missiles. This study will exploit all of the information available on the availability of "special" chemicals, such as fluorine, hydrogen peroxide, hydrazines, and other "special" chemicals required for the Guided Missiles estimate. As there is a complete overlapping in

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chemicals required for propellants and explosives, and for Guided Missiles, these studies will fill most of the "gaps" in intelligence set up by the Chemical Subcommittee.

The major "gap" which should be worked on is the field of plastics. A study has been made by the Chemicals Branch but information is limited and the study should go much further in depth.

#### FUTURE PROGRAM

The Chairman of the Subcommittee feels that the Subcommittee should be kept alive as it enables quick and easy contact through the members with other components of the various Agencies. Due to the diversity of interest, it would be a great waste of time to call formal meetings when usually only two of the Agencies have an interest in the subject under consideration.

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Chairman, Subcommittee on Chemicals

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